

## Message Text

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70

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 NSAE-00 PA-04

RSC-01 PRS-01 SP-03 USIA-15 SAJ-01 TRSY-11 ACDA-19

AEC-11 OMB-01 EB-11 SS-20 NSC-07 DRC-01 /152 W

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R 221455Z APR 74

FM USMISSION NATO

TO AMEMBASSY PARIS

INFO SECSTATE WASHDC 5264

SECDEF WASHDC

DA WASHDC

LIMITED OFFICIAL USE USNATO 2150

E.O. 11652: NA

TAGS: MARR, NATO

SUBJECT: OWNERSHIP OF NATO-HAWK JOINTLY- OWNED MAINTENANCE  
FLOAT MATERIAL

PARIS FOR NHLO. SECDEF FOR OASD(I&L)- MR. FRANKE. DA FOR  
DCSLOG AND OASA(I&L)

REF: STATE 77010 (NOTAL)

1. REQUEST THAT NATO-HAWK LIAISON OFFICER (LTC S. S.  
CANJA) PASS TEXT OF LETTER TO NATO -HAWK GENERAL MANAGER.  
TEXT FOLLOWS:

SUBJECT: OWNERSHIP OF NATO-HAWK JOINTLY-OWNED MAINTENANCE  
FLOAT MATERIAL

TO : GENERAL MANAGER, NATO - HAWK MANAGEMENT OFFICE

1. AT THE MARCH MEETING OF THE NATO-HAWK BOARD OF DIRECTORS,  
COL LYNCH INDICATED THAT WE WOULD PROVIDE THE OPINION OF LEGAL  
EXPERTS WITHIN THE UNITED STATES GOVERNMENT ON THE ISSUES  
RAISED IN YOUR COMMUNICATION OF 13 FEB 1974, SUBJECT: DISPOSITION  
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OF NATO-HAWK JOINTLY-OWNED MAINTENANCE FLOAT. BY THIS  
COMMUNICATION, I AM PLEASED TO INFORM YOU OF THEIR OPINION.

2. TWO LEGAL QUESTIONS HAVE BEEN RAISED.

FIRST IS THE LEGAL STATUS OF MAINTENANCE FLOAT ITEMS PRIOR TO CONCLUSION OF MAY 29, 1972 AGREEMENT REGARDING CLOSING OUT OF MUTUAL ACCOUNTS UNDER THE NATO-HAWK PRODUCTION PROGRAM. THE UNITED STATES GOVERNMENTS FINANCIAL SHARE OF THE MAINTENANCE FLOAT ORIGINATED FROM THE PRODUCTION CONTRACT PAID FOR BY THE FIVE PARTICIPATING NATO-EUROPEAN COUNTRIES AND THE UNITED STATES. THE UNITED STATES THEREBY ACQUIRED OWNERSHIP OF A SHARE OF THE HARDWARE IN THE MAINTENANCE FLOAT, VALUE OF WHICH HAS BEEN ESTABLISHED AT \$953,658 DOLLARS. NO JUSTIFICATION HAS BEEN PROVIDED FOR ALLEGED UNITED STATES LOSS OF OWNERSHIP EXCEPT FOR THE ARGUMENT REGARDING THE EFFECT OF THE FINAL FINANCIAL SETTLEMENT AGREEMENT.

3. THE SECOND LEGAL ISSUE RELATES TO THE EFFECT OF THE FINAL FINANCIAL SETTLEMENT OF MAY 29, 1972, ON THE UNITED STATES RIGHTS. THAT AGREEMENT STRUCK A BALANCE BETWEEN TWO ITEMS ONLY: THE COST OF FOUR HAWK BATTALIONS DELIVERED TO THE UNITED STATES GOVERNMENT UNDER THE MEMO OF UNDERSTANDING OF NOVEMBER 8, 1965, AND THE TOTAL COST OF THE REIMBURSEMENT SYSTEMS SUPPLIED BY THE UNITED STATES GOVERNMENT UNDER THE TECHNICAL ARRANGEMENT OF MARCH 31, 1960. OWNERSHIP OF THE UNITED STATES FINANCIAL SHARE OF THE MAINTENANCE FLOAT ITEMS PAID FOR UNDER PRODUCTION CONTRACT IS NOT AMONG CREDITS OR OBLIGATIONS SPECIFIED BY THE FINAL FINANCIAL SETTLEMENT. ACCORDINGLY, UNITED STATES OWNERSHIP RIGHTS TO THE MAINTENANCE FLOAT ITEMS WERE NOT AFFECTED BY THE FINAL FINANCIAL SETTLEMENT. SIGNED WILLIAM B. PRENDERGAST, DEFENSE ADVISOR, UNITED STATES MISSION TO NATO. ORIGINAL SIGNED LETTER FORWARDED BY POUCH. RUMSFELD

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<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 11 JUN 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974ATO02150  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** 11652 NA  
**Errors:** n/a  
**Film Number:** n/a  
**From:** NATO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740482/abbryulf.tel  
**Line Count:** 87  
**Locator:** TEXT ON-LINE  
**Office:** n/a  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 77010 (NOTAL)  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 APR 2002 by elyme>; APPROVED <08-Aug-2002 by MorefiRH>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OWNERSHIP OF NATO-HAWK JOINTLY- OWNED MAINTENANCE FLOAT MATERIAL  
**TAGS:** MARR, NATO  
**To:** PARIS INFO STATE  
SECDEF  
DA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005